The Council's Monthly Member Readout

September 9, 2022

CALIFORNIA Efficiency + Demand Management COUNCIL

Advancing Our Clean Economy

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Today's Agenda

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Council News

- The Council's Fall Conference
- Revamped Member Engagement Refresh
- What's Coming Up + Solicitations
- Capitol Update

Issues/Topics

1. Brief: DR and the Heat Wave
2. Comments on New OIR: 22-07-005
3. Reply Brief on DR Programs: 22-05-002
4. National EE Coordination

The Council's Fall Conference: October 26-27 - Register Now!

- The Council's upcoming Fall Conference: **Accelerating Toward Climate & Economic Goals** is soon: **Oct. 26 & 27 in Oakland, CA**!
  - Oct. 26: Kickoff Reception
  - Oct. 27: Fall Conference followed by a Networking Reception
  - The Conference will focus on addressing key policy issues on how efficiency and demand management resources can be developed and enhanced through the support of solid and implementable policies.
  - The Council brings together policy makers with policy implementers and other key stakeholders to address important and current issues.

Revamped Member Engagement

- Refresher: The Council has initiated our revamped member engagement, consolidating and improving previous member working groups, calls, etc.
- Revamped engagement now includes:
  - Monthly Member Readout (this meeting);
  - Demand Response, Distributed Energy Resources, and Resilience Committee (DDRC);
  - Energy Efficiency & Decarbonization Committee (EEDC);
  - Strategic Initiatives Committee (SIC);
  - State Policy Member Working Group;
  - Federal Policy Member Working Group;
  - EM&V Call; and
  - CAISO Special Member Working Group
- If you are interested in joining any of these or are experiencing difficulties, please email: admin@cedmc.org

What's Coming Up + Solicitations

- **CEC Workshop re: Electric School Bus Bi-Directional Infrastructure**
  - September 13, 2022; 10:00 a.m. - 12:00 p.m.
  - Zoom; 1(877) 853-5257 | Workshop ID: 971 3479 4228 | Password: 728068
- **CAEECC Indicators, Metrics, and Targets Workshop**
  - September 15, 2022; 9:30 a.m. - 2:30 p.m.
  - Zoom; ID: 872 0625 1598
- **SCE Public Workshop for Statewide Higher Education Efficiency Performance (HEEP) Program Implementation Plan**
  - September 19, 2022; 1:00 p.m. - 2:00 p.m.
  - Microsoft Teams | Telephone: (213) 297-0156 | Passcode: 986920438#
- **IRP Inputs and Assumptions Modeling Advisory Group (MAG) Webinar**
  - September 22, 2022;
  - Details to follow
- **Hybrid CEC Electric Program Investment Charge Program (EPIC) Symposium**
  - October 4, 2022; 8:00 a.m. - all day event
  - Remote Registration Information | In-Person Registration Information
- **CEC Clean Transportation Program's Advisory Committee**
  - October 6, 2022
  - Details to follow

Open Solicitations

- **9/26:** RFP MCE Commercial Equity Program Implementation
- **10/03:** Registration of Interest re: PG&E Independent Evaluators for Energy Efficiency. RFP response due 10/24.
- **Due 10/31**: CEC CA Schools Healthy Air, Plumbing, and Efficiency (CalSHAPE) Ventilation Program Notice of Funding Availability. *Note: some applications are currently open for limited eligibility sites.*
- **11/04:** Registration of Interest due re: PG&E Residential Equity EE and Electrification Program
- **Ongoing**: EE program 3P solicitation information and links found on the CAEECC Website

Capitol Update from the Council's Lobbyists

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Erin Niemela

Tiffany Phan

Capitol Update: Legislature Adjourns

- **The Legislature adjourned the 2021-2022 session just after 1am Sept. 1st.**
- **Quick #s:** There were 4,476 bills introduced during this biennial Legislative Session. Of those bills 1,500 were Senate Bills and 2,976 were Assembly Bills.
- **Closing Context:** In mid-August, Governor Newsom surprised the Legislature by presenting his last minute, extremely ambitious and expansive, five prong climate package to the Senate and Assembly Democratic Caucuses with only weeks to go in the Legislative session.
- **Process Ahead:** The Governor has until September 30, 2022 to sign or veto legislation on his desk. He can also allow a bill to become law without his signature, although few Governors have used this authority.

Capitol Update: Energy/Climate

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Components of the climate package:

- **AB 1279 (Muratsuchi):** Codifies the 2045 carbon neutrality goal and requires that at least 85% of the reductions come from emission reductions.
- **SB 905 (Caballero)**: Establishes a permit application framework for carbon capture, utilization, and sequestration technologies at CARB. Permits must have requirements pertaining to protecting air quality, monitoring, seismic safety, and ongoing monitoring.
- **AB 1757 (C. Garcia)**: Directs the NR Agency to establish a goal for emission reductions through the management and conservation of natural and working lands.
- **AB 2438 (Friedman)**: Requires the state's largest transportation programs to incorporate the administration's Climate Action Plan on Transportation Infrastructure into their guidelines to receive state transportation funding.
- **SB 1137 (Gonzalez/Limon)**: Establishes set back requirements on new and reworked oil and gas wells.
- **SB 1314 (Limón)**: Bans the use of captured and recovered carbon in enhanced oil recovery.
- **SB 1020 (Laird)**: Establishes interim zero-carbon energy goals (originally set in SB 100), with a more aggressive 2035 goal for energy procured for/by the state.
- **SB 846 (Dodd)**: Enables PG&E to extend operations by 5 years at the Diablo Canyon nuclear power plant. This bill also directs state agencies to prepare a clean reliability investment plan to support the state's 0-carbon energy goals, using $1B of future year funding, upon appropriation.
- **AB 2133 (Quirk):** Increases the state's GHG emission reduction target 2030 goal from 40% to 55% below 1990 levels. (**FAILED**)

Capitol Update: Key Legislation

- **SB 846 (Dodd)**: Authorizes the extension of operating the Diablo Canyon Nuclear power plant (DCPP) beyond the current expiration dates (of 2024 for Unit 1 and 2025 for Unit 2), to up to five additional years (no later than 2029 and 2030, respectively), under specified conditions. This bill also authorizes a loan of $1.4 billion from the state to Pacific Gas & Electric (PG&E), the operator of DCPP, to facilitate the extension of the plant. This bill appropriates $600 million and requires future Legislative action for the remaining. This bill also provides expedited permitting to facilitate relicensing of DCPP, including: limiting state agency review of applications related to the DCPP extension to 180 days, exempting DCPP from the California Environmental Quality Act (CEQA), and explicitly authorizing collections from electric ratepayers (both customers of PG&E and those of other electricity providers) for ongoing costs.
  - **Status**: Signed by Governor 9/2/22
  - **Note**: Includes Council-sponsored language to set a load shifting target

- **AB 209 (Budget)**: This bill is the omnibus Energy budget trailer bill. It contains provisions necessary to implement the 2022 Budget Act. Also includes $100 million for the Industrial Grid Support and Decarbonization Program; $25 million for the Food Production Investment Program.
  - **Status**: Signed by Governor 9/6/22
  - **Note**: Includes eligibility amendments to the Demand Side Grid Support Program. CEDMC led coalition to secure the change to the program which was originally enacted with AB 205 (Budget) Energy trailer bill chaptered in June.

Capitol Update: Key Legislation

- **AB 179 (Ting)**: This is the Budget Act of 2022 ("Budget Bill Junior"). It amends the 2022 Budget Act to reflect changes necessary to implement the August adjustments to the budget bill.
  - **Status**: Signed by Governor 9/6/22
  - **Note**: Includes $145 million over 2 years for the TECH Initiative; the Council was a key partner working with an NRDC coalition in raising the need for additional program funding. Additionally, the budget bill junior allocates $5 million for CEC meter data.

- **AB 205 (Budget)**: This bill makes necessary statutory changes to implement the energy related items of the 2022 Budget Act.
  - **Status**: Signed by Governor 6/30/22
  - **Note**: Establishes the Distributed Electricity Backup Assets Program to be administered by the CEC to incentivize cleaner and more efficient distributed energy assets that would serve as on-call emergency supply or load reduction for the state's electrical grid during extreme events, as specified. Funding shall be used to support: (1) efficiency upgrades to existing power generators, and (2) deployment of new zero or low emission technologies, including but not limited to fuel cells or energy storage, at new or existing facilities.
    - This bill also requires the CEC establish program guidelines that include a loading order, as specified. This bill requires resources funded by this program to be available to respond during an extreme event to support grid reliability.

Capitol Update: Key Legislation

- **SB 1136 (Portantino)**: California Environmental Quality Act: expedited environmental review: climate change regulations. This bill expands expedited California Environmental Quality Act (CEQA) review provisions, which currently apply to regulations requiring the installation of pollution control equipment or a performance standard, to apply to regulations requiring the reduction in emissions of greenhouse gases, criteria air pollutants, or toxic air contaminants, and requires all eligible projects to comply with specified construction labor requirements.
  - **Status**: Ordered to engrossing and enrolling
  - **Note**: June amendments resolved the Council's primary concerns focused on the proposed significant new barriers to voluntary energy efficiency programs and standards; the bill continued to include labor standards in expedited CEQA process, a secondary concern.

- **SB 1432 (Hueso)**: This bill makes changes to the energy resource adequacy program and requires the California Public Utilities Commission (CPUC) to develop a pilot program for aggregated customer-sited distributed energy resources (DER) to assess the value of energy exports from those resources for purposes of fulfilling the requirements of the resource adequacy (RA) program.
  - **Status**: Ordered to engrossing and enrollment
  - **Note**: Sponsored by NRG Energy; originally CEDMC had concerns but moved to neutral following negotiations with bill sponsors on PUC completing the evaluation in coordination with CAISO instead of requiring action to be taken by CAISO.

Capitol Update: Key Legislation

- **AB 2667 (Friedman)**: This bill establishes a program to provide incentives for commercially available distributed energy resources (DERs), specifically behind-the-meter energy storage systems or self-generation systems paired with energy storage systems.
  - **Status**: Failed to Pass Senate Floor 16-10 (needed 21)
  - **Note**: CEDMC supported the original version of the bill but subsequently joined the OUA coalition with microgrid and rooftop solar entities due to June amendments that exclude eligibility for DERs which are not exclusively IOU-directed; following adoption of amendments negotiated with the author's office, CEDMC moved to neutral.

- **SB 1063 (Skinner)**: This bill allows the California Energy Commission (CEC) to implement certain appliance efficiency standards sooner if the CEC first makes a specified good cause finding.
  - **Status**: Enrolled
  - **Note**: CEDMC supported bill; provided key witness testimony

- **SB 1026 (Wieckowski)**: This bill grants, beginning January 1, 2024, a prospective tenant the right to obtain from the owner of a residential dwelling unit a residential energy efficiency disclosure statement for the residential unit offered.
  - **Status**: Held in Assembly Appropriations Committee
  - **Note**: CEDMC supported bill; provided key witness testimony

Capitol Update: Key Legislation

- **SB 1158 (Becker)**: This bill requires every retail supplier to annually report information concerning electricity supply used to serve load to the State Energy Resources Conservation and Development Commission (CEC), including the retail supplier's sources of electricity and the emissions of greenhouse gases (GHGs) associated with those sources of electricity.
  - **Status**: Ordered to engrossing and enrolling
  - **Note**: CEDMC supported bill; provided key witness testimony

- **SB 1203 (Becker)**: This bill declares the intent of the Legislature that state agencies aim to achieve zero net emissions of greenhouse gasses (GHGs) resulting from their operations no later than January 1, 2035; requires each state agency to develop and publish a plan that describes its current GHG inventory, its planned actions for achieving net zero emissions, and an estimate of the costs associated with the planned actions, as specified; and, requires the Climate Action Team (CAT), among other things, to review and provide feedback on those plans to assist state agencies in establishing interim GHG emissions reduction targets, as specified.
  - **Status**: Ordered to engrossing and enrolling
  - **Note**: CEDMC supported bill; provided key witness testimony

Capitol Update: Key Legislation

- **SB 1020 (Laird)**: Establishes interim targets to the statewide 100% clean energy policy. Additionally requires state agencies to accelerate their 100% clean energy policy goal by 10 years.
  - **Status**: Enrolled
  - **Note**: CEDMC supported bill

- **SB 839 (Dodd)**: This bill would (1) expressly require the state's largest electric utilities to administer a specific energy demand response program, the Base-Interruptible Program, (2) require the California Public Utilities Commission (CPUC) to implement a pilot economic demand response program, and (3) repeal a defunct program
  - **Status**: Held in Senate Appropriations Committee
  - **Note**: CEDMC supported bill; CLECA sponsored

- **ACR 188 (Holden)**: Requests, by February 28, 2023, the California Independent System Operator (CAISO), in consultation with the other California balancing authorities, to produce a report that summarizes recent relevant studies on the impacts of expanded regional cooperation on California and identifies key issues that will advance the state's energy and environmental goals.
  - **Status**: Signed by Governor 8/19/22

Demand Response & the Heat Wave

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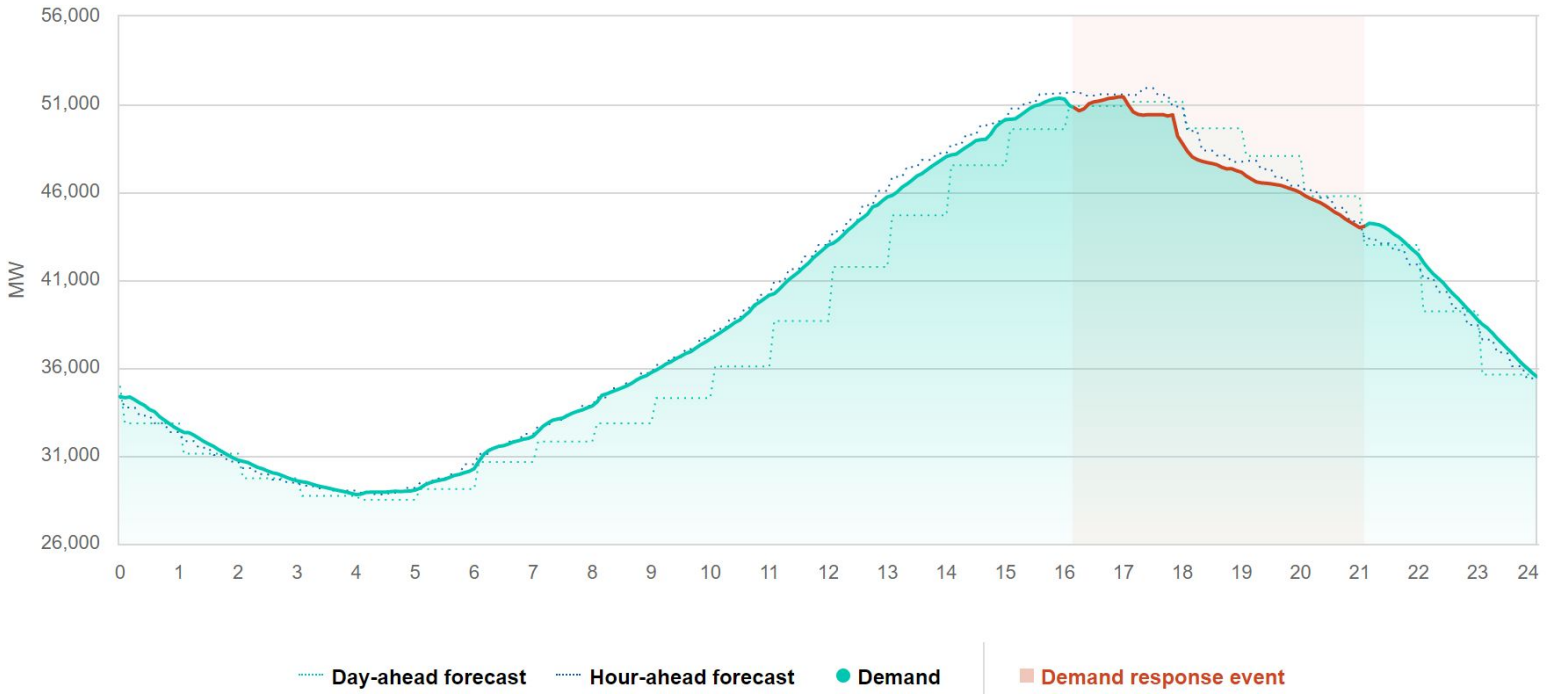
- **The September heat wave, across the West Coast, broke records and tested the limits of California's electrical grid and customers' demand flexibility.**
  - September 6 peak capacity of 51,600 MW broke the 2006 peak record of 50,000+ MW.
  - CAISO called an EEA 3 and Gov. Newsom triggered a statewide wireless emergency alert.
  - In just half an hour, electric consumption dropped 2,000 - 2,500 MW!
  - This response spotlighted the real benefits that demand response can deliver.



Comments on New OIR: 22-07-005

- On August 25, the Council, C-Power, and Leapfrog Power Inc., submitted reply comments to the CPUC re: the Order Instituting Rulemaking (OIR) to advance demand flexibility through electric rates (R-22-07-005).
  - In mid-July, the CPUC voted to approve opening the new OIR to establish demand flexibility policies and modify electric rates to advance reliability, affordability, equity, and enable participation in demand flexibility.
- Our comments at this time focus on a key argument: Completing residential rate reform should not delay addressing the remaining scoping issues.
  - This argument is a direct response to PG&E, SDG&E, and SCE recommending residential rate reform to come before dynamic rate design.
  - The Joint Parties argued beginning the process to address real-time pricing has been long delayed and any further delay could cause unwarranted disruption, with the earliest timeline beginning in 2024.
  - It is important to note, this perspective is complementary to the important work of addressing residential rate reform. Therefore delay of considering either issue does not need to be delayed and can be addressed in parallel.

Reply Brief on DR Programs: 22-05-002

- On September 2, the Council submitted a reply brief to the CPUC regarding A.22-05-002 (DR Programs, Pilots, and Budgets - 2023-'27)
  - Note: The issue is broken into two categories, bridge year funding for the immediate term, and 2023-2027.
- The Council's reply addressed:
  - A restatement of and support of OhmConnect's Emergency Load Reduction Program (ELRP) open enrollment proposal. The IOUs stated the proposal would specifically benefit third party DR providers. The Council argued that is a mischaracterization as the proposal targets all market-integrated DR.
    - The Council also strongly supported OhmConnect's proposal to adopt a Flex Alert trigger for all residential ELRP participants.
  - Agreement with PG&E that revising the Capacity Bidding Program hours to 4-9PM is appropriate.
    - The Council also voiced support for PG&E's proposed CBP incentive increase
  - Provide clarification of and support for SDG&E's 2023 residential CBP pilot budget.

National EE Coordination

- The Council is working closely with a coalition of energy efficiency organizations from across the nation to collaborate and coordinate on key issues.
- Of particular interest for this group is to better understand opportunities provided by the recently enacted Inflation Reduction Act (IRA) and 2021's Infrastructure Investment and Jobs Act (IIJA).
- The coalition looks to focus on how the organizations can accelerate the timeline and efficiency of distributing the funding provided in the IRA and IIJA.
  - Note: there is a tremendous amount of information to digest, part of this effort is to also ensure that opportunities aren't "lost in the couch cushions"
- The Council looks forward to picking up efforts with this group over the coming months.

Discussion and Q&A

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Thank You!

Please contact us if you have any questions.

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